

you-go, we set the path towards surplus. When pay-as-you-go expired, Katy bar the door, and the deficits exploded.

Now, as we get our hands around this fiscal situation, my friend Mr. RYAN is in part right when he says that this is not a full measured response. You know, we have got a long journey. We have got to begin with a solid step. Restoring pay-as-you-go budget principles is that step.

Mr. RYAN of Wisconsin. I yield myself 2 minutes.

Madam Speaker, we need to step up to the plate. Look at what is happening with the current government right now. I have three children. They are 5 years old, 6 years old, and our oldest just turned 8. For the last 40 years, the size of our government has been remarkably consistent, about 20 percent of the economy. Meaning we have taken 20 cents out of every dollar made in America to go to the Federal Government. When my three children are my age, the current government we have right now, this is before you would even pass the President's budget, that current government goes to 40 percent of our economy. You will have to take 40 cents out of every dollar made in America just to keep the government we have now in place at that time, doubling the taxes on the next generation.

I asked the Congressional Budget Office what would the income tax rates have to be to support all of this when my kids are my age? The lowest tax bracket, which is now at 10 percent, they said that would have to go to 25 percent. The middle income tax brackets for middle income families go up to 66 percent. Top tax bracket on small businesses, 88 percent.

Madam Speaker, we know we are crashing our economy with this borrow-and-spend mentality. And all of that is PAYGO compliant. This is not budget discipline, it is an illusion. Let's come together and fix this problem.

With that, I reserve the balance of my time.

Mr. BOYD. Madam Speaker, it is my privilege to yield 1½ minutes to the gentleman from Tennessee, a great leader on this issue for many, many, many years, leader of the Blue Dogs, Mr. TANNER.

Mr. TANNER. You know, if we accept that everything that everybody has said on both sides of the aisle is true, that is still not, in my view, a good financial reason to vote against this bill. It may be a good political reason, but it is not a good financial reason.

Yes, this bill is imperfect, but it is a first step. PAYGO only applies to those laws that are enacted that either demand by the law itself that Federal revenues be altered or that spending be changed. It does not affect discretionary spending and so forth. It is a first step. This bill is not perfect. But whatever your reason is is not a good reason, financially speaking, to vote against something that is good. Per-

fect? No. But the perfect is always the enemy of the good in a legislative body.

And so unless one wants to talk politics, if one wants to talk finances, I cannot think of a good financial reason to say, "Well, let's just do this if this is all we can do." It is a good first step, and it ought to be taken.

Mr. RYAN of Wisconsin. Madam Speaker, may I inquire as to how much time remains on each side?

The SPEAKER pro tempore. The gentleman from Wisconsin controls 5 minutes, and the gentleman from Florida controls 6½ minutes.

Mr. RYAN of Wisconsin. I reserve the balance of my time.

Mr. BOYD. Madam Speaker, it is my privilege now to recognize the Speaker of the House, and yield 1 minute to the gentlelady from California (Ms. PELOSI).

Ms. PELOSI. I thank the gentleman for yielding. I thank him for his extraordinary leadership on this important issue, an issue of importance to our country, to our economic stability, to our fiscal soundness, and to our children and our grandchildren.

This is an issue, pay-as-you-go, who could oppose this great idea? It has a provenance in the Democratic Party that goes back over 30 years, but it has been in practice in a bipartisan way over time. To my progressive friends, I say that Congressman GEORGE MILLER of California introduced a resolution in 1982 at the Democratic convention, mid term convention in Philadelphia, calling for pay-as-you-go. It was passed and adopted as part of the Democratic platform, a measure for fiscal soundness, recognizing that even those of us who see a role in government, a limited role in government and investments in our children's future know that it must be paid for or else we are heaping debt onto our children. That was in '82.

It wasn't until later, with a Republican President, President Bush, and a Democratic Congress, that PAYGO was implemented. Then later, under a Democratic President, President Clinton, and a Republican Congress, PAYGO was implemented. All of those times it brought down the deficit and, in the case of President Clinton, it led to a path, a trajectory of \$5.6 trillion in surplus.

It hit, I wouldn't say a bump in the road, I would say a giant mogul when President Bush came in with a Republican Congress and the Republican President abandoned PAYGO. And now for the past 8 years, up until 2009, January, we have had these growing deficits. Here we are again sweeping up behind to get rid of the trajectory that we are on of increasing the deficit.

So here it is. It is an historic day. I am so very happy. When I became Speaker of the House, the very first day we passed legislation that made PAYGO the rule of the House. Today we will make it the law of the land. I talked about the progressive provenance of this idea, but because of the

extraordinary leadership of the Blue Dog coalition in the Congress, this pay-as-you-go is part of a blueprint for fiscal responsibility that has been their mantra and which they have made the mantra of the House Democrats, and I hope today in a bipartisan way of the House of Representatives.

I commend Mr. BOYD for his relentless leadership on this subject; BARON HILL, author of the legislation; JIM MATHESON, STEPHANIE HERSETH SANDLIN, the leadership of the Blue Dog coalition; and a person who has been a relentless and articulate spokesperson on this issue, JOHN TANNER, whom I had the honor of following in this debate. As I say, the Blue Dogs have made this a priority.

But it is out there also with subjecting spending to the harshest scrutiny. Every Federal dollar that is spent must be subjected to scrutiny to make sure the taxpayer gets his or her money's worth. Subject the spending to scrutiny. And that is what President Obama is proposing with his freeze and cuts.

Pay-as-you-go. This largely applies to the entitlements, which are the largest part, biggest increases in the deficit. And third, the commission to review the entitlements and how we can control cost. This is an obligation that we have to our children. It is an important part of the work that we do, to be able to make difficult, difficult choices on how we make investments, understanding that they must be paid for.

So the luxury of just heaping bills with projects or whatever, or in terms of new entitlements especially in terms of PAYGO, that day is over unless it is paid for. So how is it a reflection of the values of our country; how important it is to meeting the needs of the American people. Would we put it before something else? That is what this is about, about prioritizing so that we can get on a path of deficit reduction, reducing the national debt, reducing the debt service, hundreds of billions of dollars of interest on the debt, which gets us really nothing in return.

So the time is long overdue for this to be taken for granted that the Federal Government will pay as it goes, that we will be on a path of deficit reduction, and that every action that we take in any bill that we take will have to meet the test. Does this reduce the deficit? Does this create jobs? Does this grow our economy? Does this stabilize our economy well into the future? Central to all of that, and a very strong pillar of fiscal responsibility, is this PAYGO legislation that we have here today.

I couldn't be more thrilled for what this means about the fundamentals of how we govern, how we choose, and how we honor our responsibility to future generations to reduce the deficit. With all the respect and admiration and gratitude to our Blue Dog coalition for being so persistent in passing this, and my congratulations, if I may, to